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**FISCAL IMPACT STATEMENT**

**LS 6473**

**BILL NUMBER:** SB 145

**NOTE PREPARED:** Jan 9, 2007

**BILL AMENDED:** Jan 9, 2007

**SUBJECT:** Powers and Duties of Gaming Commission.

**FIRST AUTHOR:** Sen. Steele

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill defines "incentive payments" and requires the recipients of incentive payments to report annually to an operating agent or a person holding an owner's license certain information regarding incentive payments received. It provides that an operating agent or person holding an owner's license may withhold incentive payments under certain circumstances. It also requires the Gaming Commission to post the annual reports on the world wide web.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** *Summary:* The bill will result in additional administrative responsibilities for the Indiana Gaming Commission (IGC). The bill requires the IGC to publish the annual riverboat incentive payment reports it receives under current statute to the world wide web. The fiscal impact that might arise from this requirement is indeterminable. However, any additional expenses would be paid from Riverboat Wagering Tax revenue annually appropriated to IGC for administrative purposes. (Note: Current statute provides that sufficient funds are annually appropriated to the IGC from Riverboat Wagering Tax revenue deposited in the State Gaming Fund to administer the riverboat gambling laws.) In FY 2006, this distribution totaled about \$2.4 M.

*Background:* Under current statute, riverboat casino owners and the operating agent of the French Lick casino must report annually to the IGC the total dollar amounts and recipients of incentive payments made during the year, and report any other items related to the incentive payments that the IGC may require.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Summary:* The new reporting requirements under the bill likely will have a minimal administrative impact on local units receiving incentive payments.

*Background:* The bill requires incentive payment recipients to annually report to riverboat casino owners and the operating agent of the French Lick casino: (1) a verified accounting of all accounts associated with incentive payments received; and (2) an itemized list of all disbursements of incentive payments made to any person exceeding \$5,000 in the aggregate during the prior reporting period. This report must include the legal name of the recipient and the date, amount, and purpose of each disbursement. The bill requires incentive payment recipients to submit the reports at least 30 days prior to the date on which the riverboat casino owner or operating agent must submit its annual incentive payment report to the IGC as required under current statute.

The bill requires riverboat casino owners and the operating agent of the French Lick casino to include the reports from incentive recipients as an appendix to the annual incentive payment reports they are required to submit to the IGC under current statute (see *Background* section under Explanation of State Expenditures). In addition, the bill requires a riverboat casino owner or the operating agent of the French Lick casino to withhold incentive payments if the recipient reports are incomplete, inaccurate, or the IGC determines the incentive payments are not benefitting the economic development of the geographic area intended.

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Gaming Commission.

**Local Agencies Affected:** Local units receiving riverboat incentive payments.

**Information Sources:**

**Fiscal Analyst:** Jim Landers, 317-232-9869.